

FY₂₁ PROPOSED BUDGET



DEVELOPING FY21 BUDGET

Guided by Good Financial Planning 5 Year Forecast

- Financial Task Force I, Recommendations
- FY15 Override, 3-Year Goal
 - Good News 6 Years (Including FY21)
- 2018 Financial Task Force II
- High School Borrowing, AAA Bond Rating
 - March 2019 (Borrowed \$100M)
 - **March 2020 (Will Borrow \$100M)**
 - March 2021/22 (Will Borrow \$\$ Remaining)

DEVELOPING FY21 BUDGET

- September 2019, Kick Off With Department Heads
- October 2019, Department Meetings with Select Board and Town Administrator
- November 2019, Special Town Meeting, Update Financial Task Force II, Balanced FY2021 Budget

WITHOUT AN FY21 OPERATING OVERRIDE

- February 10, 2020, Joint Budget Presentation

DEVELOPING FY21 BUDGET

Assumptions

- One-Time Revenue Sources Identified
- Health Plan Design Change, 4% increase projected
- Deferral of Town Departments Outlay
- Town Departments asked to only increase contractual service lines including union contract obligations
- Union Negotiations Impact, COLA (0%)
- Governor's State Aide
- Continued to apply Collins Center Recommendations
 - Enterprise Fund Indirect Costs

BUDGET HIGHLIGHTS

- \$136M Budget

6.4% Total Increase Over FY20

	<u>FY20</u>	<u>FY21</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Town Operating	\$ 41,644,334.00	\$ 41,761,793.00	\$ 117,459.00	0.3%
School Operating	\$ 60,649,451.00	\$ 62,506,441.00	\$ 1,856,990.00	3.1%
Capital Budget	\$ 1,788,232.00	\$ 1,475,268.00	\$ (312,964.00)	-17.5%
Fixed Costs	\$ 24,234,072.00	\$ 30,838,276.00	\$ 6,604,204.00	27.3%
Total	\$ 128,316,089.00	\$ 136,581,778.00	\$ 8,265,689.00	6.4%

FIXED COSTS BREAKDOWN

\$30,838,276

TOWN

SCHOOL

Fixed Costs

Total State Charges	\$	1,833,421
Total Pavement and Management		1,768,254
Total Sidewalks		226,147
Total Debt & Interest		2,870,686
Total Retirement		6,905,129
Total Assessors Overlay		840,000
Total Fixed Costs	\$	14,443,637

Fixed Costs

Total Minuteman	\$	1,355,007
Total State Charges		90,080
Total Debt & Interest		12,689,525
Total Retirement		2,260,027
Total Fixed Costs	\$	16,394,639

ONE TIME REVENUES

- Includes \$3.4M usage of Free Cash (Remaining \$2.4M)
- Includes \$1.0M PILOT Payment Belmont Electric Light
- Includes \$1.2M Indirect Costs Water and Sewer

Total \$5.6M (4.1% of Total Revenue)

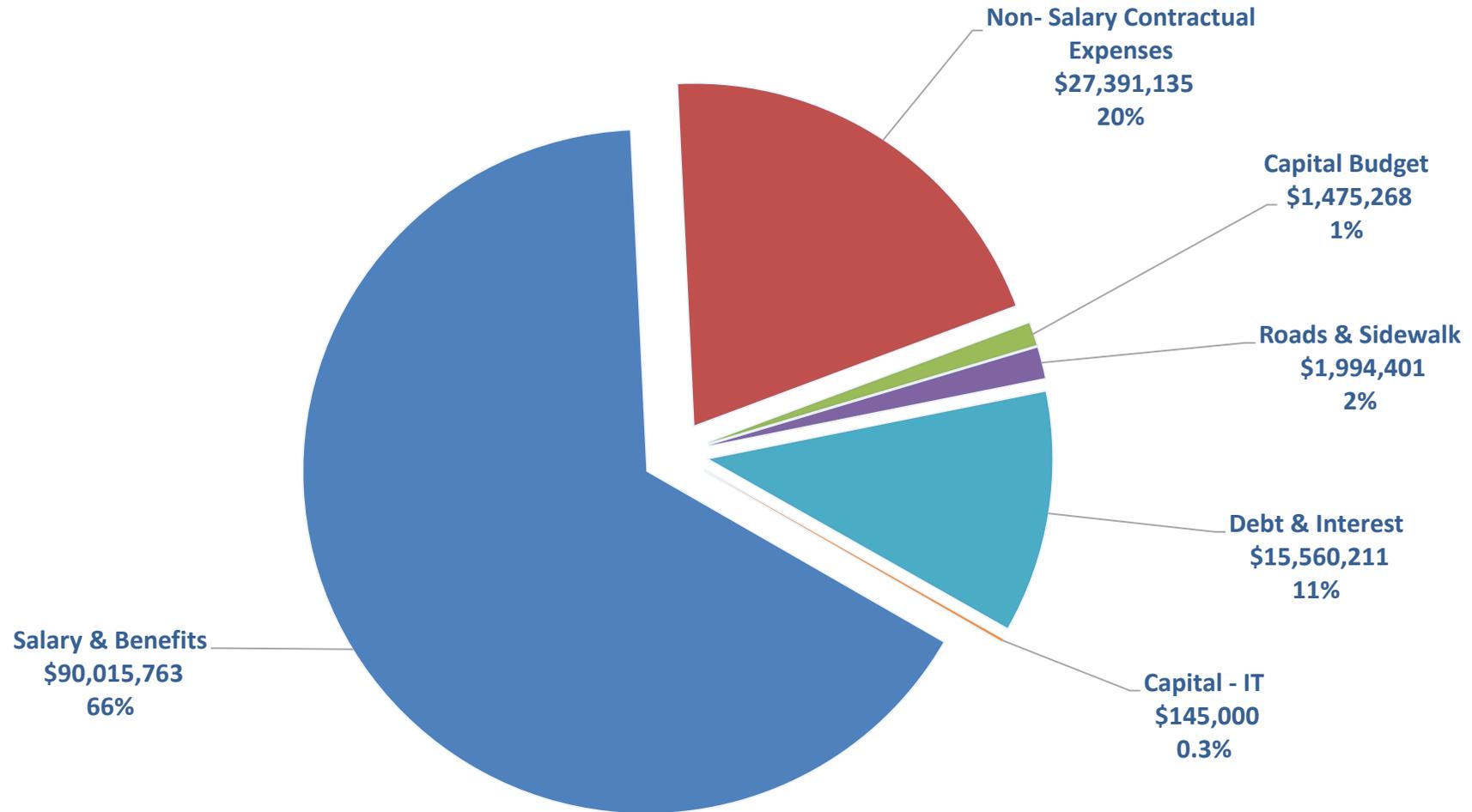
BUDGET HIGHLIGHTS

- Belmont Public School: \$ 63.0M
- Minuteman Tech: \$ 1.4M
- Debt Service: \$ 14.0M
- Other Town Departments: \$ 42.0M
 - Benefits: \$ 1.4M
(Medicare, Gen Ins, WC, Unemployment Comp.)
 - Health Insurance: \$ 5.1M
- Pension: \$ 9.1M
- OPEB: \$ 0.5M

BUDGET PRIORITIES

- **BALANCING THE FY21 OPERATING BUDGET WITHOUT AN OPERATING OVERRIDE**
- **Education**
- **Maintain Town Services**
- **Capital Infrastructure**

EXPENDITURE SUMMARY SCHOOL & TOWN



FY21 DEFERRALS PUBLIC SAFETY

FACILITIES	\$25,000	POLICE DEPARTMENT	\$235,000
- Equipment		- Office Supplies and Equipment \$ 25,000	
		- Replace Police Patrol Cruisers \$210,000	
FIRE DEPARTMENT	\$87,850	DPW	\$79,880
- Turn-Out Gear \$26,250		- Central Fleet Equipment and Other \$47,385	
- Fire Suppression Equipment \$9,600		- Cemetery Equipment Replacement \$18,205	
- Fire Suppression Other \$32,000		- Parks & Facilities Equipment \$14,290	
- EMT Replace Equipment \$20,000			
LIBRARY	\$12,500		
- Computer Equipment			

5 FISCAL YEAR EXPENDITURE COMPARISON

	<u>FY16</u>	<u>FY21</u>	<u>\$Change</u>	<u>%Change</u>
Belmont Schools:	\$49.7M	\$63.0M	\$13.0M	26.0%
Minuteman Tech:	\$832K	\$ 1.4M	\$523K	63.0%
Debt Service:	\$4.4M	\$16.0M	\$11.0M	254.0%
State Amts/Overlay:	\$2.5M	\$ 2.7M	\$ 0.2M	9.10%
General Gov't:	\$ 4.34M	\$ 4.75M	\$411K	9.50%
Public Safety:	\$12.8M	\$13.2M	\$467K	3.60%
DPW:	\$ 7.3M	\$ 8.1M	\$848K	11.60%
Facilities:	\$ 1.6M	\$ 4.7M	\$ 3.1M	195.00%
Community Development:	\$951K	\$ 1.1M	\$159K	16.70%
Library:	\$ 2.1M	\$ 2.3M	\$169K	8.00%
Health & COA	\$958K	\$997K	\$ 39K	4.10%
Benefits: <i>(Medicare, Gen Ins, WC, Unemployment Comp.)</i>	\$ 1.0M	\$ 1.4M	\$270K	26.50%
Health Insurance:	\$ 4.3M	\$ 5.1M	\$815K	19.00%
Pension:	\$ 6.5M	\$ 9.1M	\$ 2.6M	41.00%
OPEB:	\$ 0.3M	\$ 0.5M	\$ 0.2M	58.00%

NON-EXCLUDED DEBT SERVICE

		<u>\$ Change</u>	<u>% Change</u>
FY 16:	\$572K	\$173K	43.4%
FY 17:	\$889K	\$318K	55.4%
FY 18:	\$861K	(\$29K)	-3.1%
FY 19:	\$1.1M	\$239K	27.8%
FY 20:	\$1.6M	\$500K	45.5%
FY 21:	\$1.7M	\$100K	6.3%

EXCLUDED DEBT SERVICE

[LONG TERM DEBT]

		<u>\$ Change</u>	<u>% Change</u>
FY 16:	\$ 3.7M	(\$900K)	-19.6%
FY 17:	\$ 3.7M	\$0	0%
FY 18:	\$ 3.6M	(\$100K)	-2.7%
FY 19:	\$ 3.5M	(\$100K)	-2.7%
FY 20:	\$ 8.7M	\$5.2M	149.0%
FY21:	\$13.8M	\$5.1M	59.0%

ENTERPRISE FUND

	<u>FY20</u>	<u>FY21</u>	<u>\$ Change</u>	<u>% Change</u>
Water	\$7.1	\$7.8M	\$701K	9.9%
Sewer	\$9.7M	\$9.8M	\$235K	2.4%

REVENUE SUMMARY

\$136,581,778 TOTAL BUDGET

**% of
Total Budget**

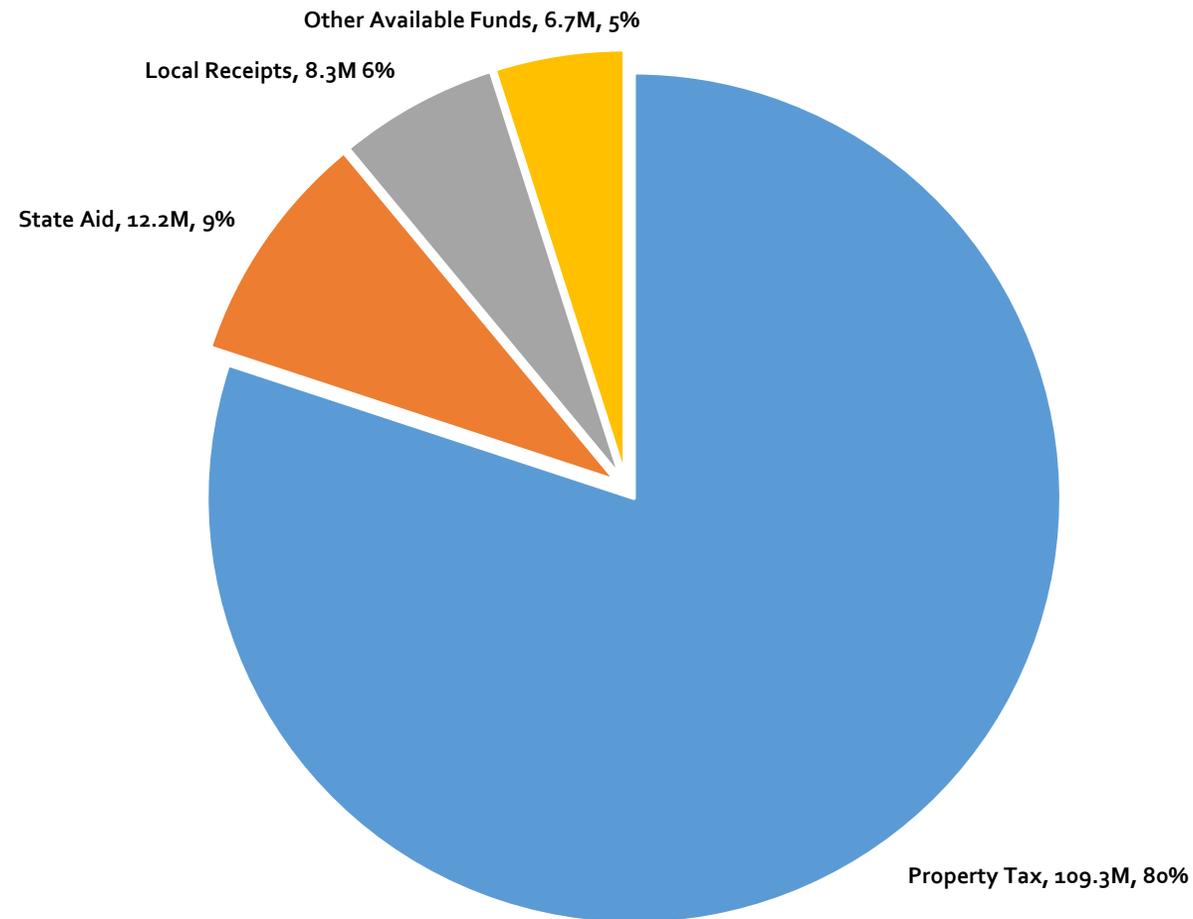
Property Tax:	\$ 109.3M	80.0%
State Aid:	\$ 12.2M	9.0%
Local Receipts:	\$ 8.3M	6.1%
*Available Funds:	<u>\$ 6.7M</u>	<u>4.9%</u>
TOTAL	\$136.5M	100.0%

*Available Funds: receipts reserved parking meters; Free Cash; Overlay; Belmont Electric Light PILOT; Water and Sewer Indirect Costs; Capital Turn backs; Capital Endowment Fund

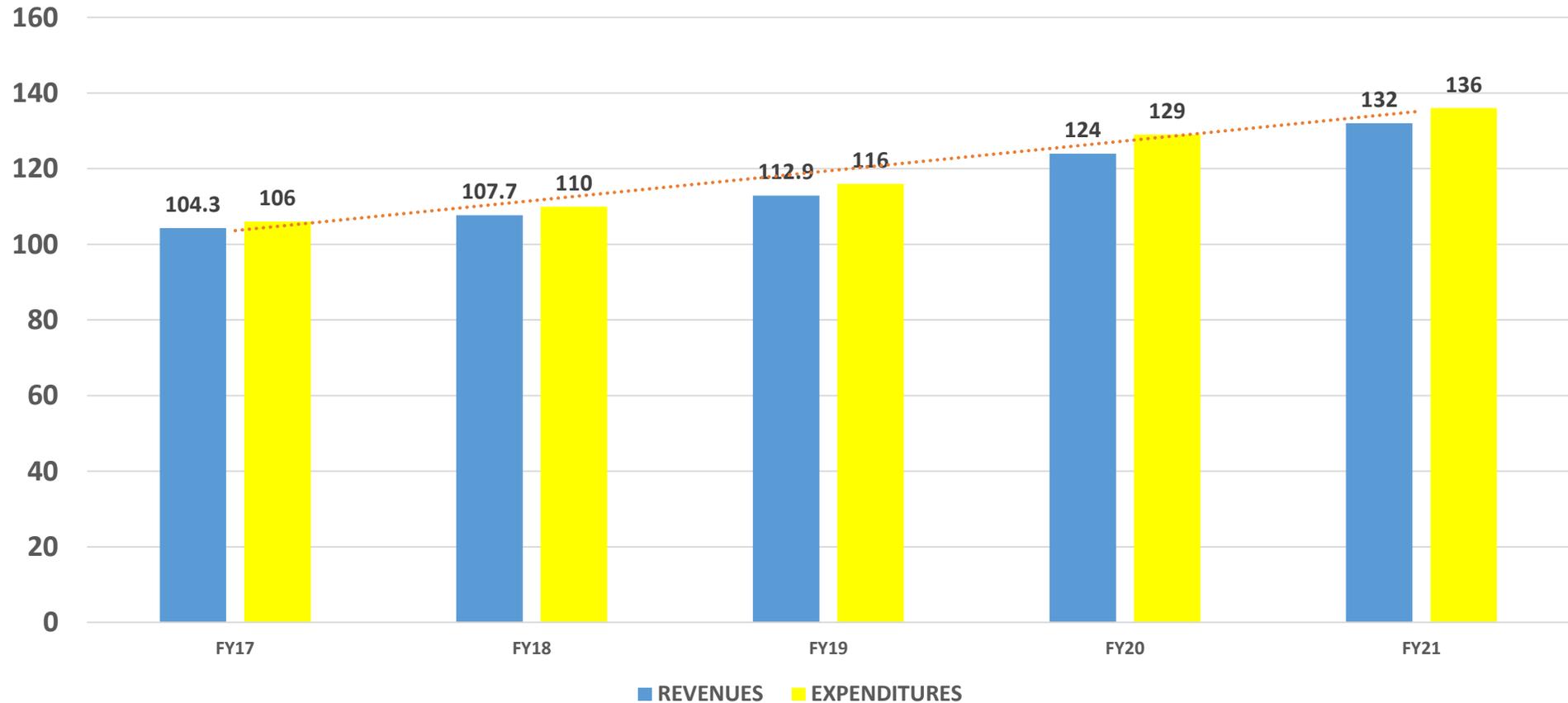
SUMMARY STATE AID AND CHAPTER 70

	FY 20	FY 21	\$ change	% Change
School Aid Chapter 70	9,519,647	9,657,467	137,820	1.4%
Charter School Reimbursement	3,157	10,067	6,910	218.9%
General Municipal Aid	2,397,629	2,464,763	67,134	2.8%
Veterans' Benefits	31,195	29,855	(1,340)	-4.3%
Tax Programs (veterans, blind, surviving spouse)	42,925	41,919	(1,006)	-2.3%
Total State Aid	11,994,553	12,204,071	209,518	1.7%

REVENUE SUMMARY



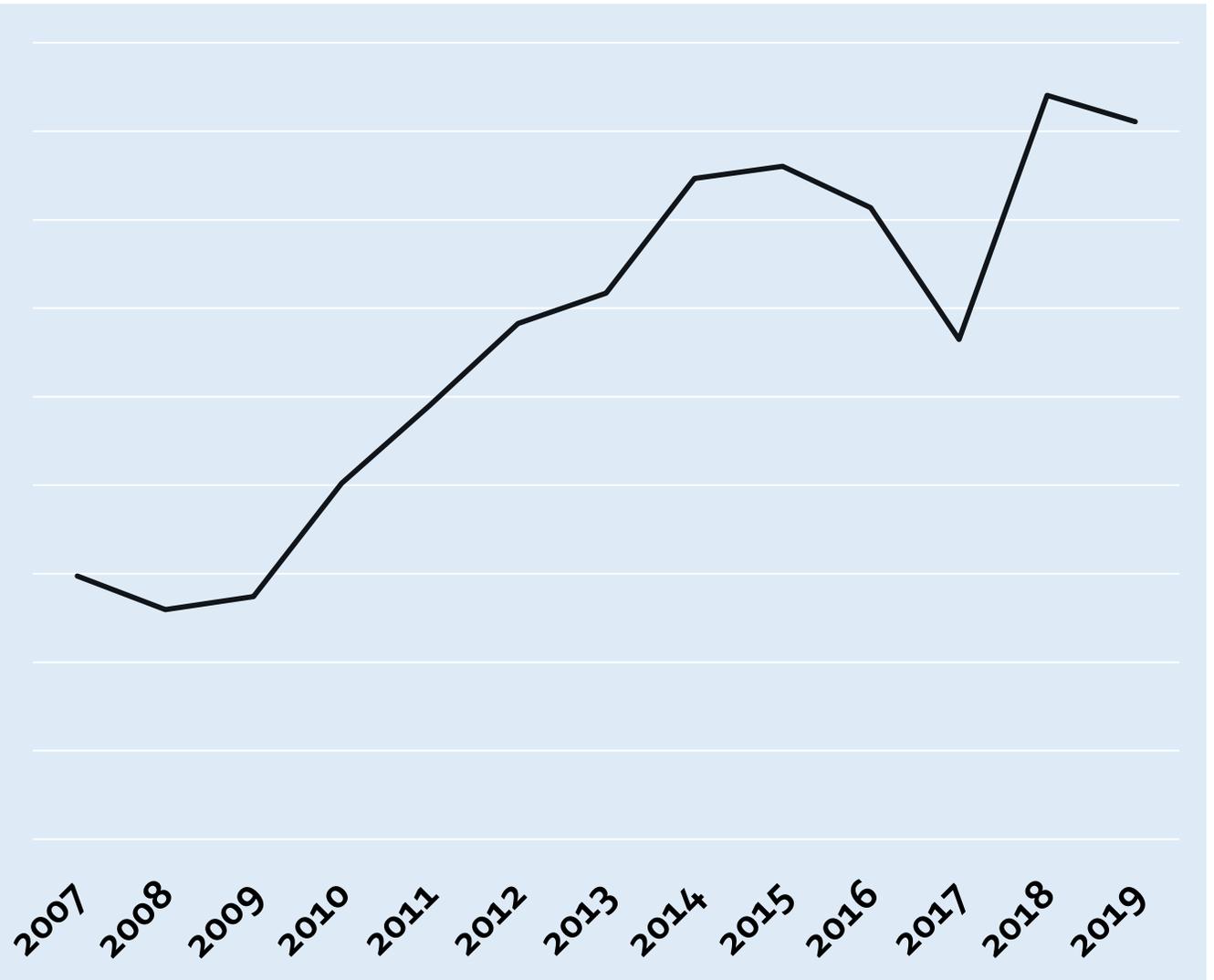
REVENUE & EXPENDITURES COMPARISON (WITHOUT ONE-TIME)



CERTIFIED FREE CASH

YEAR	FREE CASH
2007	\$2,973,112.00
2008	\$2,594,800.00
2009	\$2,741,366.00
2010	\$4,019,916.00
2011	\$4,904,820.00
2012	\$5,825,793.00
2013	\$6,169,590.00
2014	\$7,465,047.00
2015	\$7,604,052.00
2016	\$7,135,275.00
2017	\$5,646,719.00
2018	\$8,406,183.00
2019	\$8,106,817.00

\$9,000,000.00
\$8,000,000.00
\$7,000,000.00
\$6,000,000.00
\$5,000,000.00
\$4,000,000.00
\$3,000,000.00
\$2,000,000.00
\$1,000,000.00
\$0.00



FY21 ADDITIONAL REVENUE

\$8,265,689

Property Tax:

Property Taxes	\$2,892,234
Debt Exclusion:	<u>\$5,066,066</u>
Total	\$7,958,300

State Aid :	\$ 209,518
Local Receipts:	\$ 472,632
*Available Funds:	\$ (374,761) (decrease from FY20)
Total Additional Revenues	\$8,265,689

*Available Funds: receipts reserved parking meters; Free Cash; Overlay; Belmont Electric Light PILOT; Water and Sewer Indirect Costs; Capital Turn backs; Capital Endowment Fund

REVENUE BREAKOUT

TOTAL NEW ADDITIONAL REV: \$8,265,689

	FY20-FY21 <u>\$ CHANGE</u>	FY20-FY21 <u>% CHANGE</u>
Town Operating	\$ 117,459.00	0.3%
School Operating	\$ 1,856,990.00	3.1%
Capital Budget	\$ (312,964.00)	-17.5%
Fixed Costs	\$ 6,604,204.00	27.3%
Total	\$ 8,265,689.00	6.4%

5 YEAR REVENUE COMPARISON

	<u>FY 16</u>	<u>FY 21</u>	<u>\$ Change</u>	<u>% change</u>
Property Tax	\$81M	\$109.2M	\$28.2M	34.8%
State Aid	\$8.9M	\$12.2M	\$ 3.3M	37.0%
Local Receipts	\$6.8M	\$8.4M	\$1.6M	23.5%
*Available Funds	\$3.2M	\$6.7M	\$3.5M	109.3%

*Available Funds: receipts reserved parking meters; Free Cash; Overlay; Belmont Electric Light PILOT; Water and Sewer Indirect Costs; Capital Turn backs; Capital Endowment Fund

PROPERTY TAX

Formula for Base Levey:

$$(\text{BASE LEVY} * 2\frac{1}{2}) + \text{New Growth} = \text{Total Base Levy}$$

	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Base Levy	\$75.1M	\$79.1M	\$82M	\$86M	\$89M	\$92M
2 ½ Increase	\$1.8M	\$2M	\$2M	\$2.1M	\$2.2M	\$2.3M
New Growth	\$475K	\$720K	\$900K	\$900K	\$740K	\$920K
Total base Levy	\$81.2M	\$85.5M	\$88.5M	\$92.6M	\$102.1M	\$109.2M

BUDGET FORECAST FY21 & FY22

FACTORS TO CONSIDER

- Use of One-Time Funds to balance FY21 Budget
- Reinstate Necessary Deferred Minor Capital FY22
- Decrease in Free Cash/General Stabilization Fund (BOND RATING)
- Revenues and Expenditures increasing at different rates
- Discretionary Capital Expenditures 2.5%
- All Town and School Teacher Union contracts expire in 2020

BUDGET FORECAST FY21 & FY22

- 2 ½ Limit
- Fixed Cost Increases
- High School and other Facilities Operations
- Maintain Quality Services (School, Library, Senior Center)

BUDGET FORECAST FY21 & FY22

STRATEGIES MOVING FORWARD

- Financial Task Force II
 - Long Term Capital Planning Committee
 - Recommended Override November 2020
 - Impact to Services without an Override
- Town Seek Grant Opportunities
- Collective Bargaining Contracts
- Investigate Shared Alternatives

Questions?